

**REMARKS**

The present application has been carefully studied and amended in view of the outstanding Office Action dated June 16, 2004, and reconsideration of that Action is requested in view of the following comments.

A formal drawing has now been prepared and submitted herewith. The drawing is fully supported by the application as originally filed, and no new matter has been introduced into the drawing.

The specification has been amended to include appropriate subtitles, and claims 2-15 have been amended to address the informalities noted in paragraph 5 of the Office Action. As amended the claims are believed to be in proper form and in full compliance with 35 USC §112.

Applicant respectfully submits that the claims herein define patentable subject matter which is neither disclosed nor suggested by the prior art taken alone or in combination with one another. Specifically, claims 1-5, 9, 10, 14 and 15 are not anticipated by Thompson et al US 6,623,039 ("Thompson"), for the reasons expressed below. Additionally, claims 6-8 are not rendered obvious by the combination of Thompson and Fraser et al US 4,855,883 ("Fraser"), and claims 11-13 and 16 are not rendered obvious by the combination of Thompson and Prancz US 6,170,880, for the following reasons.

Thompson does not disclose or suggest a chip that is covered on both main surfaces with a seal or a plastics layer as presently recited in the claims. This is clearly evident from Figures 14 to 23 and column 8, line 66 to column 9, line 8, showing that the chip always has electrical contacts that must be in direct electrical contact while

reading and therefore cannot be insulated by a seal or a foil. Figure 8 cited by the Examiner does not contain a chip. Moreover, it is not clear, how the coupons 20 can be used when they are covered by the laminate sheet 46.

Thompson fails to disclose an identity card with a chip incorporated into a paper core where the chip is covered on both main surfaces with a seal or a plastics layer. Accordingly, the rejection under 35 USC §102 is improper and should be withdrawn.

Additionally, Thompson does not render obvious the present invention since the chip taught by Thompson must be in direct electrical contact and therefore cannot be insulated as discussed above. In addition, at least some of the applied laminates to the card of Thompson are easily delaminated. This is contrary to the present invention where any manipulation of the flexible and forgery-proof card can be easily detected.

Fraser discloses a complex card assembly according to Figures 1, 2, 4 and 6, wherein the chip 112 is embedded inside one of the subassemblies. As can clearly be seen from Figure 2, the chip is not incorporated into a paper core as presently claimed, but instead is located onto the surface of the insert 132 and protected by the edge guard 168.

The assembly taught by Fraser is very stiff, in particular at the location of the chip, and Fraser does not suggest a flexible and simple paper based identification card as presently claimed wherein the flexibility combined with stability and forgery-proofness has surprisingly been achieved by a chip incorporated in a paper core accompanied by an image on the core and wherein the chip is covered on both main surfaces with a seal or a plastics layer. Since both Thompson and Fraser fail to disclose or suggest these features, rejection under the Thompson/Fraser combination should be withdrawn.

Prancz discloses a data carrier, wherein according to the drawing and column 3, lines 45-46, a chip is placed in a stepped recess and covered on one side by a hologram. The stepped recess is produced by material removal, in particular in a milling operation, and as is evident from the drawing, the recess is not entirely punched through the card. Therefore the main surface of the chip opposite to the hologram consists of the same unspecified material as the card body 2. This is different from the present invention where the chip is incorporated in a paper core and where the chip is covered on both main surfaces with a seal or a plastics layer. Prancz neither discloses nor suggests such a layered arrangement.

The data center disclosed by Prancz is complicated to manufacture, as the recess must be produced very carefully by removal of the material. According to column 4, lines 17-20, even the fine channels 21 and 22 must be produced by milling.

To the contrary, the identity card of the present invention can easily be produced according to claim 16 by punching a recess through the paper core, covering one side of the recess with a seal or a plastics layer, inserting the chip into the recess and sealing the second side of the recess with a seal or a plastics layer.

The punching is easily done compared to milling and generates less dust. In addition it is very easy to produce recesses with fine structures as defined e.g. on page 8, line 30 to page 9, line 28.

The stepped recesses of Prancz are not fine structures as presently claimed and as defined in the specification of the present invention, since the stepping is in the thickness dimension of the data carrier and not on the surface. Therefore the recess according to Prancz still has the regular structure of the chip carrier 10. As explained in

the present specification at page 9, lines 12-16 such is not the optimum protection from unauthorized peeling of the film.

Neither Thompson nor Prancz discloses or suggests a card as presently claimed, that is flexible, highly forgery-proof and easy to produce. Accordingly, the rejection over the Thompson/Prancz combination should be withdrawn.

Accordingly, for the reasons expressed above it is believed that the present application is in condition for allowance and early notice to that effect is respectfully requested.

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Respectfully submitted,

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